UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/51/6 (Prog. 16)
9 May 1996

ORIGINAL: ENGLISH

Fifty-first session

PROPOSED MEDIUM-TERM PLAN FOR THE PERIOD 1998-2001

Programme 16. Economic development in Europe

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16.1 The overall orientation of the programme, which is under the responsibility of the Economic Commission for Europe (ECE), is to strengthen the economic relations of the European countries, among themselves and with other countries of the world. In this context, ECE must now exercise its advocacy role to maintain free trade, investment flows, cooperation, exchange of experience and the free flow of information and technology between the countries of the ECE region and the rest of the world. Furtherance of the integration efforts of countries in transition into the European and global economies will be a priority. More diversified forms and methods of assistance to these countries must be developed in response to their growing demand for policy analysis and guidelines, as well as help in adhering to region-wide standards, the capacity to adopt legally binding instruments and ways to develop their products to obtain access to and capture larger shares in western markets. Further, ECE will continue to make the results of its work in norms, standards and guidelines available to the countries of other regions. In so doing, it will make full use of its cooperative undertakings with the other regional commissions and the global programmes of the Organization.

16.2 In view of the long-standing cooperation between ECE and the Organization for Security and Cooperation in Europe (OSCE), the programme will also give renewed attention to cooperation with neighbouring countries in the Mediterranean region, where economic and social development will be essential to underpin the peace process in the Middle East and future cooperation between European and north African States in that area. Renewed attention will also be given to the reconstruction of war-torn areas.

16.3 The mandate for the programme stems from Economic and Social Council resolution 36 (IV) 1947, whereby the Council established ECE and assigned to it responsibilities for coordination and promotion of international economic cooperation in Europe. The mandate of the programme was further elaborated in a number of General Assembly and Economic and Social Council resolutions, as well as ECE resolutions and decisions.

16.4 By the end of the period covered by the medium-term plan, it is expected that ECE will have accomplished the following:

(a) Facilitated the participation of government officials, public and private entrepreneurs, non-governmental bodies and the academic community in the economic debate and the decision-making process through the provision of studies and policy analysis, as well as through its operational activities;

(b) Enhanced economic integration of the region and linkages with neighbouring countries or regions through the elaboration and dissemination of international conventions, agreements, norms and standards;

(c) Improved coordination with the secretariats of United Nations entities and non-United Nations regional bodies active in the region, such as the European Commission, OSCE, the Council of Europe, the Organisation for Economic Cooperation and Development (OECD), the European Bank for Reconstruction and Development (EBRD), the Commonwealth of Independent States (CIS), the Central European Initiative, the Black Sea Economic Cooperation and the Council of Baltic Ministers. The new mechanism for coordination arrangements at the

regional level in the context of ACC will serve to facilitate such cooperation. It will also involve regional entities and the private sector more closely in its work.

16.5 ECE is conscious of the need to achieve these goals with a high level of cost-effectiveness, comparable to that of other institutions active in the region. The secretariat, backed up by inputs from governmental experts, provides long-standing experience and expertise about the countries of the region, East and West. ECE remains the only pan-European neutral forum with the essential transatlantic link for the exchange of views on economic issues among Governments where all participate as full members and on an equal footing.

Subprogramme 16.1 Environment

16.6 The objectives of the subprogramme, which is implemented by the Environment and Human Settlements Division, are:

(a) To provide policy direction for the ECE region. ECE will continue to adapt the Environmental Programme for Europe to the priority needs of countries, in particular those with economies in transition;

(b) To further the "Environment for Europe" process, including the preparation and follow-up to ministerial meetings within the region to review environmental priorities, adopt a strategic environmental policy and strive for coordination of national, subregional, regional and global environmental objectives. In that context, the subprogramme will also promote the implementation of Agenda 21 at the regional level and contribute, as appropriate, to the reviews undertaken by the Commission on Sustainable Development;

(c) To promote policy instruments for strengthening the capability of member countries to prevent and reverse environmental degradation by fully integrating environmental considerations into sectoral policies;

(d) To develop international environmental law (conventions and related protocols) and promote the effective monitoring and improved implementation of and compliance with international legal instruments in the field of the environment;

(e) To strengthen the capacity of member countries, especially countries in transition, to implement the regional environmental conventions and related protocols with a view to preventing, controlling and reducing adverse transboundary effects; to prevent and resolve related conflicts; to build institutional capacity and competence; to promote access to environmental information; to encourage public participation in environmental decision-making; to exchange technology and expertise; and to mobilize increased resources;

(f) To assist countries that are not members of OECD to examine their performance systematically and analytically in meeting domestic environmental policy objectives and relevant international commitments. This will be achieved by further developing, in cooperation with OECD, the environmental performance review programme;

(g) To assist countries in transition, in their reform processes, to build and strengthen their capacities for environmental protection and sustainable development, and to assist them in their efforts to be integrated into a pan-European legal and economic space, in particular through regional advisory services;

(h) To facilitate the coordination of environment-related programmes in the region and cooperate closely with other United Nations bodies, relevant international organizations and institutions active in the region, as well as the relevant subregional governmental and non-governmental organizations and private sector organizations, inter alia, to extend their achievements and agreed practices to the region as a whole.

Subprogramme 16.2 Transport

16.7 The proper functioning of economic activities, the production and distribution of goods, and trade are heavily dependent upon the development of transport, including international transport. There is a need for coordinated action designed to achieve an efficient, coherent transport system in the region, based on principles of market economy while pursuing the objectives of safety, environmental protection and energy conservation. The first objective of this subprogramme, which is implemented by the Transport Division, is to provide Governments with an efficient forum for cooperation, analysis and coordinated action in the field of transport. Priority areas of cooperation will continue to be the transport of dangerous goods, the construction of vehicles, road safety, transport infrastructure and combined transport. In addition, the area of customs questions affecting transport has been identified as a new priority.

16.8 Acting together under the auspices of ECE, member Governments have developed over the years a set of major international legal instruments in the field of transport that establish appropriate international regulations, norms and standards, facilitate border crossing and provide for the development of coherent international infrastructure networks for road, rail, inland waterways and combined transport. The importance of such legal instruments has consistently been recognized by Governments and industry, as well as by the second Pan-European Ministerial Transport Conference (Crete, March 1994). The second objective is to sustain and promote those international legal instruments and related regulations by continuing to make proposals for their updating and improvement, by increasing the number of contracting parties and, whenever possible, by monitoring implementation.

16.9 The major development trends in the field of transport in the region are the continuous growth of transport demand and accelerated development of road transport as compared to other modes of inland transport. A challenge for this subprogramme will be to continue to ensure efficient mobility of persons and goods while providing an adequate level of protection of the environment. To that end, the third objective is to ensure the implementation of the activities decided on by the 1996 Regional Conference on Transport and the Environment, as well as to assist in formulating further responses to that challenge.

16.10 Transport is also vital to the economic integration of countries and regions. The fourth objective is to improve the capabilities of the Governments of countries in transition to implement the international legal instruments developed by ECE, as well as other policies and measures aimed at the development of their transport systems and infrastructures, which are compatible with those of neighbouring parts of the ECE region. This will be accomplished, inter alia, through the promotion of subregional cooperation in the field of transport, the implementation of a programme of workshops and the provision of advisory services.

Subprogramme 16.3 Statistics

16.11 The objectives of this subprogramme, which is implemented by the Statistics Division, are:

(a) To improve national statistics;

(b) To promote coordination and uniformity of concepts;

(c) To respond to the emerging needs of countries in transition;

(d) To create the capacity in countries in transition to use the System of National Accounts effectively and to provide social indicators for their policy needs;

(e) To provide an efficient and up-to-date data service in the provision of macroeconomic statistics, in respect of countries in transition. Any data collection must be closely coordinated with other international organizations, including OECD and IMF, in order to avoid duplication;

(f) To ensure that ECE makes full use of appropriate information technology so as to provide the ECE secretariat with an information systems service and graphics design service aimed at achieving maximum efficiency.

Subprogramme 16.4 Trade facilitation

16.12 Information accompanying goods in international trade or that related to their payment must be transferred between a number of parties, traditionally on several different paper documents. Cumbersome formalities and procedures constitute a major impediment to trade, but can be eliminated or greatly reduced by developing best business practices and harmonizing standards. The subprogramme, which is implemented by the Trade Division, is designed to simplify, rationalize and, where possible, standardize procedures, formalities and requirements where these place financial and economic burdens on the free flow of goods and transport.

16.13 The objectives of this subprogramme are:

(a) To provide the standards necessary to ensure worldwide harmonization in electronic trade information interchange. To that end, the United Nations Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT) will be developed and maintained within the framework of the ECE Working Party

on Facilitation of International Trade Procedures. This will be done in the context of a network of national, regional and international institutions engaged in the development and promotion of these standard activities;

(b) To enhance the dissemination of information on trade facilitation, in particular through electronic media. In this context, use of the trade facilitation database, ITUDOC, sponsored by ITU and the World Wide Web will be further developed;

(c) To strengthen cooperation and information exchanges with other regional commissions, UNCTAD, and intergovernmental and non-governmental organizations working in the context of trade facilitation in order to avoid duplication of efforts and to create synergy in common projects.

Subprogramme 16.5 Economic analysis

16.14 Economic analysis is regarded by member Governments as an instrument for strengthening multilateral economic cooperation not only among ECE member countries but also between them and the rest of the world. One purpose of analysis and research is to increase rationality in the design of national and international policies of member countries. Another purpose is to increase awareness of the interdependence of member countries' economies and to encourage national policy makers to consider their own actions in an international perspective.

16.15 Although several eastern European countries are making significant progress in transforming their economic systems, the problems of transition to a market economy are expected to remain throughout the period covered by the plan. Thus, the current emphasis of this subprogramme on developments in the economies in transition will continue to receive priority.

16.16 More specifically, the objectives of this subprogramme, which is implemented by the Division for Economic Analysis and Projections, are:

(a) To extend the coverage of the analysis in the Economic Bulletin for Europe and the Economic Survey of Europe to the newly independent States of eastern Europe and the former Union of Soviet Socialist Republics, broaden the analysis of transition issues and encourage a greater number of member States to participate actively in the work of the Senior Economic Advisers to ECE Governments;

(b) To identify and promote opportunities for cooperation that contribute most effectively to sustained economic development of member countries. This will be done in close cooperation with other principal subsidiary bodies of ECE;

(c) To keep policy makers at the national and regional levels informed of demographic developments and their various determinants and consequences and to enable countries in transition to participate in regional population projects. As recommended by the International Conference on Population and Development, held at Cairo in 1994, the regular analysis of population trends and policies in the region, in particular those of countries in transition, will focus on reproductive and family behaviour, population ageing and international

migration. It will also focus on unprecedented trends, such as those of childbearing, marriage and mortality in the countries in transition since the end of the 1980s;

(d) To facilitate the monitoring of population-related indicators and policies at the regional level and the coordination of the national-level implementation of and follow-up to the Programme of Action of the International Conference on Population and Development and the Recommendations for Action adopted by the European Population Conference, held in 1993. In this context, assistance will be provided to countries in transition, inter alia, in connection with the relevant national capacity-building.

Subprogramme 16.6 Energy

16.17 In economies in transition, energy usage is very high; energy production and use efficiencies are low; energy prices tend to be below international levels; markets are fragmented; energy trade is hampered by poor infrastructure and the rupture of traditional transport interconnections; and energy policies, legislation and standards are below Western norms and practices. It is only by resolving these problems that the energy systems and economies of countries in transition will be able to be fully integrated into the European and world economies. In Mediterranean countries, energy systems are poorly interconnected and integrated at either the subregional or regional levels, and the full potential of renewable energies (notably solar energy) has yet to be realized. In Western countries, the issues of most concern are enhancement of energy efficiency and reduction of energy-related harmful environmental effects.

16.18 The objectives of this subprogramme, which is implemented by the Energy Division, are:

(a) To foster greater cooperation among countries at the subregional level in the energy field (e.g. the Mediterranean area, the Black Sea region);

(b) To promote the development of more sustainable energy systems in order to facilitate the societal transition to more sustainable forms of development;

(c) To strengthen the capabilities of the countries in transition to introduce market-oriented energy policies and to implement economic renewal and transformation;

(d) To harmonize, to the degree possible, energy policies, legislation, norms and standards among ECE countries;

(e) To improve energy conservation and efficiency, particularly in countries in transition, where the need is the greatest;

(f) To further energy transport interconnections, both at the subregional and regional levels, particularly in electricity and gas;

(g) To enhance environmental protection, in particular with respect to the use of coal;

(h) To promote the development and use of new and renewable energy sources, notably biomass, solar, wind and geothermal, as well as to disseminate knowledge about market status and prospects of renewable energy technologies;

(i) To increase cooperative research and trade in energy products;

(j) To update and strengthen international classifications, statistics, databases, energy balances, projections and terminology in the field of energy so as to enhance the implementation of the subprogramme on energy;

(k) To contribute to the implementation of the European Energy Charter;

(l) To strengthen specific technical assistance programmes for countries in transition, such as Energy Efficiency 2000, the Gas Centre for the promotion and development of market-based gas industries in economies in transition and the Clean Coal Implementation Programme.

Subprogramme 16.7 Development of international trade

16.19 The objectives of this subprogramme, which is implemented by the Trade Division, are:

(a) To increase Governments' understanding of the main internal and external problems and obstacles impeding the development of foreign trade and foreign direct investments in the ECE region and the implications for these areas of implementing the Uruguay Round decisions by the beginning of the twenty-first century with a view to contributing to the adoption of policies facilitating and promoting intraregional trade and investment cooperation;

(b) To increase the awareness of policy makers in the countries in transition of positive experience gained by developed market economies in different areas (promoting entrepreneurship, cross border trade, transit trade operations, marketing and financing techniques, etc.). The experience of those economies in transition which earlier embarked on the path of market transformation reforms will be assessed, with the goal of disseminating this information among interested member States and formulating recommendations on measures (particularly on cross-sectoral matters) that will facilitate the adaptation of the countries in transition to market economy requirements, within the international economy.

16.20 The activities under the subprogramme will be implemented in close collaboration with the subprogrammes on trade facilitation, economic analysis and industry and technology. Also, close cooperation will be developed with UNCTAD, the International Trade Centre UNCTAD/GATT, ESCAP and other United Nations bodies, as well as with WTO, OSCE, the European Union (EU), OECD, EBRD and regional and subregional groupings and institutions in the transition economies. The secretariat will also develop its contacts with representatives of governmental bodies, research institutions and the private sector in the economies in transition.

Subprogramme 16.8 Industry and technology

16.21 By the end of the period covered by the plan, more ECE member countries are expected to have joined EU and/or WTO. This will entail major adaptation of the industrial structure of the region to meet increased international competition. While such structural changes will have to take place in all countries of the ECE region, they will be most marked in the countries of central and eastern Europe, as well as other countries in transition.

16.22 The steel, chemical and engineering industries are major providers of jobs in the region, but will have to be kept under constant review in order to meet the new objectives of sustainable development. One objective of the subprogramme, which is implemented by the Industry and Technology Division, continues to be the mitigation of the harmful or unnecessarily painful effects of industrial restructuring, particularly in economies in transition, and the creation of conditions to enhance the future industrial development of the region.

16.23 Another objective is to assist member countries in adopting science and technology policies that ensure rapid technological innovation in industry. Such policies will determine not only their international competitiveness but also their ability to cope with increasing ecological and energy constraints. To that end, activities under the subprogramme will focus on the review of major developments and changes and the identification of trends and new forms of international, regional and subregional scientific and technological cooperation.

16.24 A further objective will continue to be to increase the awareness of member countries, in particular those in transition, of developments in the field of coordination and harmonization of standardization policies, conformity assessment and metrology at the international, regional and national levels. Since sound metrological practices are the basis for quality assurance, testing and certification, ECE will develop its training programme aimed at senior metrologists from countries in transition. The subprogramme will also facilitate the sharing of experience of the developed market economy countries that have recently adapted their legislation and administrative practices to conform with the relevant provisions of WTO and EU, with those countries which have not yet done so.

Subprogramme 16.9 Agriculture and timber

16.25 In the past, this subprogramme has been carried out jointly by ECE and FAO. However, a global restructuring of FAO regional activities has resulted in the withdrawal of FAO staff from the agricultural activities and the transfer of certain joint activities to FAO in Rome. However, FAO support of forestry/timber activities and close cooperation in this field have not been changed. The possible distribution of the remaining agricultural activities to other existing subprogrammes within ECE, or the discontinuation of the Commission's involvement in this activity altogether is still under discussion with member States. Timber activities are carried out, as before, under the auspices of the ECE Timber Committee.

16.26 Pending the result of the discussion regarding the future of activities on agriculture, the objectives of this subprogramme, which is implemented by the Trade Division, are:

(a) To promote United Nations/ECE standards on the commercial quality of agricultural produce to facilitate foreign trade and distribution in domestic markets throughout the ECE region, as well as to develop agricultural statistics further;

(b) To contribute to the achievement of sustainable management of the forest and timber sector in the ECE region by the early years of the twenty-first century, maintaining an appropriate balance between the productive, social and environmental functions of the forest. In that context, the subprogramme will help Governments, as requested, in the implementation of the commitments made at the United Nations Conference on Environment and Development and the Helsinki Ministerial Conference on the Protection of Forests in Europe;

(c) To emphasize an integrated sector-wide approach, covering forestry, markets for forest products and trade in forest products. The close cooperative relationship with FAO in these areas will be maintained and cooperation with other international organizations, including ILO, UNEP, EU, the International Tropical Timber Organization and OECD will be maintained and strengthened.

Subprogramme 16.10 Human settlements

16.27 The situation foreseen for the period covered by the plan calls for urban development policies that focus on economic, social and environmental aspects and will be designed as an integral part of wider regional planning policies. Social aspects of the housing policy in countries in transition will be a priority for a steady reform and restructuring process.

16.28 The objectives of the subprogramme, which is implemented by the Environment and Human Settlements Division, are:

(a) To strengthen international cooperation in the development and implementation of human settlement policies striving towards environmental, economic and social soundness and sustainable development; monitor and analyse results in the implementation process; coordinate those policies with overall national sustainable development objectives; and build institutional capacity and professional know-how;

(b) To promote the development of practical instruments and means for accelerating the modernization of housing maintenance and management, as well as urban renewal, in order to provide better living conditions and, at the same time, strive for rational use of energy and other resources;

(c) To promote cadastre and land registration systems, in particular with reference to countries in transition, and with due regard for basic land management legislation, cadastral measures, land information systems and organization and management of the cadastre;

(d) To identify new and emerging trends in the ecological, economic, social, technical and legislative spheres that influence sustainable human settlements development in the ECE region;

(e) To promote the development of reforms in the housing, building and financial sectors in countries in transition, involving also local authorities and the private sector, in order to obtain affordable housing for all;

(f) To promote sustainable development in the countries of southern Europe, taking into account their specific cultural and social heritage.

16.29 The activities of the subprogramme will take into account the outcome of the United Nations Conference on Human Settlements (Habitat II).